



## TRUSTAR BANK REPORTS FIRST QUARTER FINANCIAL RESULTS

**GREAT FALLS, Virginia, May 19, 2025** – Trustar Bank, which was established on July 10, 2019, announced today its financial results for the first quarter of 2025, including the following highlights:

- Total assets of \$997.4 million, an increase of 22.7% compared to one year ago.
- Total loans of \$770.3 million, an increase of 20.2% compared to one year ago.
- Total deposits of \$831.7 million, an increase of 24.2% compared to one year ago.
- Total equity of \$99.7 million, an increase of 38.6% compared to one year ago.
- Net income of \$1.0 million, an increase of 92% compared to one year ago.
- Two new branches established: A full-service location in Bethesda, MD and a by appointment only branch in Arlington, VA.
- Completed a successful capital raise of approximately \$16.8 million.

## MANAGEMENT’S DISCUSSION OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Overview and Outlook

Trustar Bank started 2025 with strong earnings from continued growth and an expanding net interest margin. During the first quarter net income was \$1.0 million, our loans grew \$8.9 million and deposit growth was \$37.6 million. Our strategy is to continue seeking good quality loans and deposits, increasing our market share in the vibrant and affluent Washington, DC, metropolitan area. To accomplish this, the Bank has hired bankers with extensive experience and contacts in the local market, who in turn have helped the Bank capitalize on opportunities. While this growth strategy requires ongoing investments in personnel, facilities, and increased loan loss

provisions, the Bank believes that this increased market share, coupled with our growing earnings trajectory, will enhance shareholder value over the long term.

## **Financial Condition as of March 31, 2025**

### ***Deposits***

Total deposits as of March 31, 2025, were \$831.7 million, compared to \$669.7 million as of March 31, 2024, an increase of 24.2%. Our costs of funds decreased 30 basis points from 3.79% on March 31, 2024, to 3.49% on March 31, 2025, as the Bank continues to focus on core deposit growth. As of March 31, 2025, non-interest-bearing deposits comprised 13.2% of total deposits as of March 31, 2025, compared to 16.4% as of March 31, 2024. Transaction accounts (checking, savings, money market) comprised 47.7% of total deposits as of March 31, 2025, compared to 38.2% as of March 31, 2024. Certificates of deposit comprised 39.1% of total deposits as of March 31, 2025, compared to 45.4% as of March 31, 2024.

### ***Loans***

Loans held for investment totaled \$770.3 million as of March 31, 2025, representing an increase of 20.2% compared to one year earlier. As of March 31, 2025, commercial real estate loans (including construction loans) comprised 69% of total loans held for investment, commercial and industrial loans comprised 12% of total loans, and residential and consumer loans comprised 19% of total loans.

### ***Asset Quality***

As of March 31, 2025, the Bank's allowance for loan losses was \$7.7 million, or 1.00% of gross loans held for investment. This compares to an allowance of \$6.4 million or 0.99% of gross loans as of March 31, 2024. The Bank had one construction loan relationship in the amount of \$269,000 (0.03% of total assets) in nonaccrual status and no loans 30 days or more past due. The Bank had no non-accrual loans and \$606 thousand in loans 30 days or past due for the same period in 2024.

### ***Liquidity and Capital Resources***

As a secondary source of liquidity, the Bank maintains borrowing relationships with the Federal Home Loan Bank of Atlanta ("FHLB") and two other correspondent banks. Outstanding FHLB advances as of March 31, 2025, were \$55 million, compared to \$60 million as of March 31, 2024. The level of borrowings fluctuates in response to imbalances in the rates of growth of core loans and deposits. As of March 31, 2025, the Bank had a total of \$186 million in additional borrowing capacity from the FHLB and other correspondent banks.

The Bank raised additional capital in 2025 through the sale of 699.5 units at a price of \$24,000 per unit. Each unit consisted of 2,000 Shares of Common Stock and 2,000 Warrants. Each Warrant entitles the holder to purchase an additional share of Trustar Bank Common Stock. The total amount raised was \$16.79 million.

Shareholders' equity as of March 31, 2025, was \$99.7 million or \$10.34 per share of common stock outstanding, compared to \$72.0 million or \$9.86 per share as of March 31, 2024. As of March 31, 2025, the Bank was classified as "well capitalized" based on the following regulatory capital ratios:

- Total capital ratio = 13.99%
- Tier 1 capital ratio = 12.95%
- Common equity tier 1 capital ratio = 12.95%
- Leverage ratio = 10.35%

## **Results of Operations**

### ***Three Months Ended March 31, 2025, compared to the same period in 2024.***

Net income for the three months ended March 31, 2025, was \$1.0 million, or \$0.12 per share, an increase of 92% compared to \$526,000, or \$0.07 per share, in the same period last year. During the first quarter of 2024, the Bank recorded a loss of \$199,000 in connection with a "make-whole" call on a municipal bond and a \$28,000 gain on early repayment of FHLB advances. Excluding these items, the Bank's pre-tax income for the three months ended March 31, 2024, would have been \$446,000. The Bank's pre-tax net income for the three months ended March 31, 2025 was \$1.4 million, an increase of 204% compared to the same period last year. There were not any non-recurring items that occurred during the first quarter of 2025.

Net interest income for the first quarter of 2025 was \$6.6 million, an increase of 48.1% compared to the first quarter of 2024. The net interest margin for the first quarter of 2025 was 2.82%, an increase of 43 basis points compared to 2.39% in the same period last year.

The Bank's provision for credit losses was \$79,000 for the three months ending March 31, 2025, compared to \$321,000 in the same period last year. The Bank incurred no charge-offs during either period.

Non-interest income for the three months ended March 31, 2025, was \$91,000, compared to (\$101,000) in the same period last year. Excluding the loss from the "make whole" call of the security, non-interest income for the three months ended March 31, 2024, would have been \$98,000.

Non-interest expenses for the three months ended March 31, 2025, were \$5.3 million, compared to \$4.0 million in the same period last year, an increase of 30.6%, commensurate with

the Bank's overall growth in loans and deposits compared to one year ago. The Bank's efficiency ratio for the first quarter of 2025 improved to 78.7% from 84.2% in the same period last year.

### **About Trustar Bank**

Founded in 2019, Trustar Bank is a full-service commercial bank headquartered in Great Falls, Virginia, with full-service branches in Great Falls, Tysons Corner, and Reston, Virginia, and limited-service branches in Potomac, Maryland, and Washington, D.C. Additional information is available on the Bank's website at: [www.trustarbank.com](http://www.trustarbank.com).

### **"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995**

This release includes forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally can be identified by phrases such as Trustar Bank or its management "believes," "expects," "anticipates," "foresees," "forecasts," "estimates" or other words or phrases of similar import. Similarly, statements herein that describe Trustar Bank's business strategy, outlook, objectives, plans, intentions, or goals are also forward-looking statements. All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those in forward-looking statements.

### **Investor Relations Contact**

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**TRUSTAR BANK**  
Consolidated Balance Sheets  
(unaudited)  
(\$ In Thousands)

	March 31, 2025	December 31, 2024	March 31, 2024
<b>Assets:</b>			
Cash (currency and coin)	\$ 747	\$ 582	\$ 663
Interest-bearing balances due from banks	134,007	94,185	62,162
Cash and cash equivalents	134,754	94,767	62,825
Securities held-to-maturity, at amortized cost, net of allowance for credit losses of \$75, \$75 and \$90, respectively (fair values of \$33,974, \$35,919 and \$35,955, respectively)	36,236	38,955	40,091
Securities available-for-sale, at fair value (amortized cost of \$43,485, \$35,182 and \$55,439 respectively)	43,248	34,416	54,944
Loans receivable	770,259	761,360	640,747
Allowance for credit losses	(7,711)	(7,645)	(6,368)
Total loans receivable, net of allowance for credit losses	762,548	753,715	634,381
Bank premises and equipment, net	6,302	5,985	4,811
Accrued interest receivable	3,309	3,147	2,891
Restricted investment in bank stock, at cost	3,297	3,200	3,437
Goodwill	-	-	1,150
Other assets	7,664	7,657	8,427
Total Assets	\$ 997,358	\$ 941,842	\$ 812,957

**Liabilities and Shareholders' Equity:**

**Liabilities:**

<b>Deposits:</b>			
Non-interest-bearing demand	\$ 109,459	\$ 114,774	\$ 109,629
Interest-bearing demand	62,615	53,431	42,553
Money market	304,969	298,415	200,226
Savings	29,193	21,028	13,219
Time deposits up to \$250,000	208,201	192,357	190,142
Time deposits over \$250,000	117,240	114,103	113,923
Total deposits	831,677	794,108	669,692
FHLB advances	55,000	55,000	60,000
Accrued interest payable	1,296	1,274	1,261
Other liabilities	9,675	10,053	10,048
Total Liabilities	897,648	860,435	741,001

**Shareholders' Equity**

Preferred stock, \$5.00 par value, authorized 1,000,000 shares, 0 shares issued and outstanding, respectively	-	-	-
Common stock, \$5.00 par value, authorized 25,000,000 shares 9,641,247, 8,242,247 and 7,296,183, issued and outstanding, respectively	48,206	41,211	36,481
Additional paid-in capital	54,237	44,339	39,819
Accumulated deficit	(2,553)	(3,424)	(3,829)
Accumulated other comprehensive loss	(180)	(719)	(515)
Total Shareholders' Equity	99,710	81,407	71,956
Total Liabilities & Shareholders' Equity	\$ 997,358	\$ 941,842	\$ 812,957

**Key Metrics:**

	March 31, 2025	December 31, 2024	March 31, 2024
Loans receivable to deposits	92.62%	95.88%	95.68%
Non-interest-bearing demand deposits to total deposits	13.18%	14.45%	16.37%
Allowance for loan losses to loans receivable	1.00%	1.00%	0.99%
Nonperforming assets to total assets	0.03%	0.03%	-
Total capital ratio	13.99%	12.08%	12.03%
Tier 1 capital ratio	12.95%	11.00%	11.00%
Common equity tier 1 capital ratio	12.95%	11.00%	11.00%
Leverage ratio	10.35%	8.80%	8.81%
Book value per share	\$ 10.34	\$ 9.88	\$ 9.86
Tangible book value per share	\$ 10.34	\$ 9.88	\$ 9.70

**TRUSTAR BANK**  
Consolidated Statements of Operations  
(unaudited)  
(\$ In Thousands)

	For the Three Months Ended	
	March 31, 2025	March 31, 2024
Interest income		
Interest and fees on loans	\$ 12,122	\$ 9,581
Interest and dividends on securities	725	849
Interest-bearing balances due from banks	1,300	1,117
Total interest income	14,147	11,547
Interest expense		
Deposits	6,863	6,022
Borrowings	652	779
Total interest expense	7,515	6,801
Net interest income	6,632	4,746
Provision for credit losses	79	321
Net interest income after provision for credit losses	6,553	4,425
Non-interest income (loss):		
Service charges and fees	60	66
Loss on securities	-	(199)
Other non-interest income	31	32
Total non-interest income (loss):	91	(101)
Non-interest expenses:		
Salaries and employee benefits	3,002	2,280
Occupancy	451	556
Data processing	191	162
Network services	194	135
Professional services	545	207
Advertising	87	77
Regulatory assessments	262	157
Gain on debt extinguishment	-	(28)
Other operating expenses	557	503
Total non-interest expenses	5,289	4,049
Net income before income tax expense (benefit)	1,355	275
Income tax expense (benefit)	345	(251)
Net income	\$ 1,010	\$ 526
Weighted average common shares outstanding	8,351,058	7,232,767
Net income per share	\$ 0.12	\$ 0.07

	For the Three Months Ended	
	March 31, 2025	March 31, 2024
<b>Key Metrics:</b>		
Return on average assets	0.42%	0.26%
Return on average shareholders' equity	4.89%	2.97%
Yield on average interest-earning assets	6.01%	5.81%
Rate on average interest-bearing liabilities	4.06%	4.44%
Net interest margin	2.82%	2.39%
Average loan receivable to average earning assets	79.70%	77.30%
Efficiency Ratio(1)	78.67%	84.17%

(1) The efficiency ratio is calculated as total noninterest expense, excluding gain on debt extinguishment, divided by the sum of net interest income and total noninterest income, excluding loss on securities.